



Notice of Competitive Oil and Gas Lease Sale

*Bureau of Land Management –
Eastern States Office*

December 7, 2011



United States Department of the Interior
Bureau of Land Management
Eastern States
7450 Boston Boulevard
Springfield, Virginia 22153
<http://www.es.blm.gov>



September 7, 2011

NOTICE OF COMPETITIVE LEASE SALE OIL AND GAS

In accordance with Federal Regulations 43 CFR Part 3120, the Eastern States Office is offering competitively **45** parcels containing **20,949.35** acres of Federal lands in Louisiana (886.00 acres), in Mississippi (16,760.98 acres) and in Ohio (3,302.37 acres) for oil and gas leasing.

This notice provides:

- the time and place of the sale;
- how to register and participate in the bidding process;
- the sale process;
- the conditions of the sale;
- how to file a noncompetitive offer after the sale;
- how to file a presale noncompetitive offer; and
- how to file a protest to our offering the lands in this Notice.

Beginning on page 11, is a list of the lands we are offering. The lands are listed by state and described by parcel number and legal land description. Below each parcel we have included any stipulations, lease notices, special conditions, or restrictions that will be made a part of the lease at the time we issue it. We have also identified those parcels where the United States owns less than 100 percent interest in the oil and gas mineral rights; and those that have pending pre-sale noncompetitive offers to lease which will not be available for noncompetitive offers to lease if they receive no bid at the sale. For your convenience, we are also including copies of the stipulations, lease notices, etc. affecting the parcels in this sale notice.

When and where will the sale take place?

When: The competitive oral auction will begin at **10:00 a.m. on December 7, 2011.**
The sale room will open at 9:00 a.m. to allow you to register and obtain your bid number.

Where: The sale will be held at the Bureau of Land Management, Eastern States Office, 7450 Boston Boulevard, Springfield, VA 22153. Parking is available.

Access: The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact the Minerals Adjudication Team on (703) 440-1728, or at the mailing address on the letterhead of this notice by **November 8, 2011.**

Information regarding leasing of Federal minerals overlain with private surface, referred to as “Split Estate”, is available at the following Washington Office website. A Split Estate brochure is available at this site. The brochure outlines the rights, responsibilities, and opportunities of private surface owners and oil and gas operators in the planning, lease sale, permitting/development, and operations/production phases of the oil and gas program: http://www.blm.gov/bmp/Split_Estate.htm.

What is the sale process?

Starting at 10:00 a.m. on the day of the sale:

- the auctioneer will offer the parcels in the order they are shown in the notice;
- all bids are on a per-acre basis, rounded up to whole acres, for the entire acreage in the parcel;
- the winning bid is the highest oral bid equal to or exceeding the minimum acceptable bid; and
- the decision of the auctioneer is final.

How do I participate in the bidding process?

To participate in the Bureau of Land Management (BLM) bidding process, you must register and obtain a bidder number. If you are bidding for more than one party, you must register and obtain a separate bidder number for each company or individual you represent. The BLM will begin registering bidders at 9:00 a.m. on the day of the sale.

When you register to bid, you will be required to show a valid government-issued photo identification (ID) to verify your identity. If you do not provide a valid photo ID, you will not be allowed to register as a bidder and participate in the auction.

You will also be asked to sign a statement to confirm that any bid you cast will represent a good-faith intention to acquire an oil and gas lease and that you understand that any winning bid will constitute a legally binding commitment to accept the lease and pay monies owed. Further, you will acknowledge that you understand that it is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 to knowingly and willfully make any false, fictitious, or fraudulent statements or representations regarding your qualifications; bidder registration and intent to bid; acceptance of a lease; or payment of monies owed; and that any such offense may result in a fine or imprisonment for not more than 5 years or both. You will also acknowledge that you understand that it is a crime under 30 U.S.C. 195 (a) and (b) to organize or participate in any scheme to defeat provisions of the mineral leasing regulations. Any person who knowingly violates this provision will be punished by a fine of not more than \$500,000, imprisonment for not more than 5 years, or both.

If you, or the party you represent, owe the United States any monies that were due the day of a previous oil and gas lease auction conducted by any BLM office (the minimum monies owed the day of sale), you will not be allowed to register to bid at this lease sale. The Mineral Leasing Act requires that leases be issued to a “responsible qualified bidder” (30 U.S.C. 226(b)(1)(A)). Any bidder, or party represented by a bidding agent, that does not pay the minimum monies owed the day of the sale is not a “responsible qualified bidder” and will be barred from participating in any oil and gas lease auction nationwide until that debt to the United States is settled. In addition, if you or the party you represent defaults at any three sales conducted by any BLM office, you or the party you represent will be barred permanently from participating in any other BLM oil and gas lease sale auction.

-Federal acreage limitations: Qualified individuals, associations, or corporations may only participate in a competitive lease sale and purchase Federal oil and gas leases from this office if such purchase will not result in exceeding the State limit of **246,080** acres of public domain lands and **246,080** acres of acquired lands (30 U.S.C. 184(d)). For the purpose of chargeable acreage limitations, you are charged with your proportionate share of the lease acreage holdings of partnerships or corporations in which you own an interest greater than 10 percent. Lease acreage committed to a unit agreement or development contract that you hold, own or control is excluded from chargeability for acreage limitation purposes. The acreage limitations and certification requirements apply for competitive oil and gas lease sales, noncompetitive lease offers, transfer of interest by assignment of record title or operating rights, and options to acquire interest in leases regardless of whether an individual, association, or corporation has received, under 43 CFR 3101.2-4, additional time to divest excess acreage acquired through merger or acquisition.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in Eastern States' Public Room and on our website at http://www.blm.gov/es/st/en/prog/minerals/current_sales_and.html. You may also get the number(s) of withdrawn parcels by contacting the Minerals Adjudication Team on (703) 440-1600. If there's a need to cancel the sale, we will try to notify all interested parties in advance.

Inclement Weather

In the event of hazardous weather, please tune in to local television or radio stations. Weather related or regional information may also be accessed via the Internet at www.opm.gov. If there is a broadcast for Federal employees, BLM's hours of operation will be affected.

The procedure for Oil and Gas Lease Sales scheduled on a business day with a 2-hour delay or if the office is closed for business, the BLM will proceed as follows:

1. In the event of a 2-hour delay, the doors to the BLM, Eastern States Office will remain locked until 10:00 a.m. The Oil and Gas Lease Sale will begin at 11:30 a.m. with registration starting at 10:00 a.m., please call for the recorded information on delays at (703) 440-1777.
2. In the event that the BLM office is closed for business on the day of an Oil and Gas Lease Sale, the Sale will be cancelled and rescheduled at a later date. Please call for recorded information on closures at (703) 440-1777.

Every effort will be made to post the information on delays or closed for business on the main entrance exterior doors of the building.

Your safety and the safety of our BLM employees is our major concern.

- **Payment due on the day of the sale:** Payment is due on the day of the sale. You cannot withdraw a bid. For each parcel you win, you must pay the minimum bonus bid of \$2 per acre or fraction of an acre, the first year's advance rental of \$1.50 per acre or fraction of an acre, and a non-refundable administrative fee of \$145. You must pay these monies by 4:30 p.m. **December 8, 2011** at the sale site or by 4:30 p.m., **December 22, 2011 sale (10 business days after sale)** at BLM-ES' Accounts Department.

The minimum monies owed on the day of the sale for a winning bid are monies owed to the United States (43 CFR 3120.5-2(b) and 43 CFR 3120.5-3(a)). If payment of the minimum monies owed the day of the sale is not received by the date and time above, the BLM will issue a bill for the monies owed. If payment is not received by the bill due date, a demand letter will be sent to you that will include additional fees. If payment is not received as requested by the demand letter, the U.S. will immediately pursue collection by all appropriate methods, and when appropriate, collect late fees, interest, administrative charges, and on past-due amounts assess civil penalties. "All appropriate methods" include, but are not limited to, referral to collection agencies and credit reporting bureaus; salary or administrative offset; offset of Federal and state payments, including goods or services; Federal and state tax refund offset; and retirement payment offset. Debts may be sent to the Internal Revenue Service and charged as income to you on Form 1099C, Cancellation of Debt (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; 31 CFR part 285).

- **Forms of payment:** You can pay by personal check, certified check, money order, or credit card (Visa, MasterCard, American Express, and Discover cards only). Cash is unacceptable. If you plan to make your payment using a credit card, you should contact your bank prior to the sale and let them know you will be making a substantial charge against your account. If you pay by check, please make checks payable to: **Department of the Interior - BLM**. If a check you have sent to us in the past has been returned for "*insufficient funds*" we will require that you give us a guaranteed payment, such as a certified check.

Effective February 1, 2005, BLM will not accept credit card or debit card payments to the Bureau for any amount equal to or greater than \$100,000 for any purpose. We also will not accept aggregate smaller amounts to bypass this requirement. We encourage you to make any payments of \$100,000 or more by Automated Clearing House (ACH).

How do I calculate my bonus bid for parcels where the U. S. only owns a fractional mineral interest?

If the United States owns less than 100 percent of the oil and gas rights in a parcel, the parcel will reflect the percentage of interest the United States owns. You must calculate your bonus bid and advance rental payment on the **gross acreage in the parcel**. For example, if the U.S. owns 50 percent of the oil and gas in a 100.48 acre parcel, the minimum bid is \$202 (101 acres x \$2) and the advance rental due is \$151.50 (101 acres x \$1.50).

What are the terms and conditions of a lease issued as a result of this sale?

- **Term of the lease:** A lease is issued for a primary term of 10 years. It continues beyond that if it has production in paying quantities. Advance rental at \$1.50 per acre or fraction of an acre for the first 5 years (\$2.00 per acre after that) is due on or before the anniversary

date each year until production begins. We charge a royalty of 12.5 percent of the value of oil or gas removed or sold from a lease. You will find other lease terms on our standard lease form (Form 3100-11, October 2008).

- **Stipulations:** Some parcels are subject to surface use stipulations. They are requirements or restrictions on how you conduct operations. These stipulations are included in the parcel descriptions on the attached list. They become part of the lease and supersede any inconsistent provisions in the lease form.
- **Bid Form:** Successful bidders must submit a signed competitive lease bid form (Form 3000-2, August 2007) with their payment on the day of the auction. This form is a legally binding offer by a prospective lessee to accept a lease and all applicable terms and conditions. We recommend you get the form and complete part of it before the auction, leaving part to be filled out at the auction. Your completed bid form certifies that you are qualified to be a lessee under our regulations at 43 CFR Part 12 and Subpart 3102.5-2. It also certifies that you comply with 18 U.S.C. 1860, a law prohibiting unlawful combinations, intimidation of or collusion among bidders. Fillable bid forms are available online at:
http://www.blm.gov/es/st/en/prog/minerals/frequently_used_oil.html
- **Issuance of a lease:** We (the BLM) will issue your lease within 60 days of the sale date by signing the lease form provided you have paid your fees and rent. The effective date of a lease is the first day of the month following the month in which we sign the lease. We can make it effective the first day of the month in which we sign it, if we receive your written request before we sign the lease.

How do I file a noncompetitive over-the-counter offer after the auction?

You may be able to get a noncompetitive lease for a parcel we offered if –

- we did not withdraw it from the sale;
- it did not receive a bid; and
- it does not have a noncompetitive pre-sale offer pending.

Parcels that meet all these criteria are available on a first-come, first-served basis for two years from the date of the auction. If you want to file a noncompetitive offer for unsold parcel immediately after the sale or on the next business day, give us the items listed below under presale offers in a sealed envelope marked “Noncompetitive Offer.” We consider all noncompetitive offers that we receive on the day of the sale and the first business day after the sale as filed at the same time (simultaneously). Where an unsold parcel receives more than one simultaneous filing, we will hold a public drawing in our Public Room to determine first priority.

How do I file a noncompetitive “pre-sale” offer?

Per Federal Regulations 43 CFR 3110.1(a), you can file a noncompetitive pre-sale offer for lands that –

- are available,
- have not been under lease during the previous one-year period; or
- have not been included in a competitive lease sale within the previous two-year period.

If no bid is received on them, your pre-sale offer gives you priority over any offer filed after the auction. In the list of parcels attached to this notice, we have used an asterisk to mark any parcel that has a pending pre-sale offer. By filing a pre-sale offer, you are consenting to all terms and conditions of the lease, including any stipulations for listed on the attachment to this notice.

To file a —pre-sale offer, you must send us --:

- A standard lease form (Form 3100-11, October 2008), which is properly filled out, as required by the regulations under 43 CFR 3110;
- the first year's advance rent in the amount of Rental \$1.50 per acre or fraction thereof; and
- a non-refundable administrative fee in the amount of \$375.00.

NOTE: You cannot file a “pre-sale” offer for any of the lands included in this Notice.

Can I protest BLM's decision to offer the lands in this Notice for lease?

Yes. Under Federal Regulations 43 CFR 3120.1-3, you may protest the inclusion of a parcel listed in this sale notice. All protests must meet the following requirements:

- Protests must be filed within **30 calendar days of the posting date of the sale**. We must receive a protest no later than close of business on **October 7, 2011**. The protest must also include any statement of reasons to support the protest. We will dismiss a late-filed protest or a protest filed without a statement of reasons.
- A protest must state the interest of the protesting party in the matter.
- You may file a protest either by mail in hardcopy form or by fax. You may not file a protest by electronic mail. A protest filed by fax must be sent to (703) 440-1551. A protest sent to a fax number other than the fax number identified or a protest filed by electronic mail will be dismissed;
- If the party signing the protest is doing so on behalf of an association, partnership or corporation, the signing party must reveal the relationship between them. For example, unless an environmental group authorizes an individual member of its group to act for it, the individual cannot make a protest in the group's name.

If BLM receives a timely protest of a parcel advertised on this Sale Notice, how does it affect bidding on the parcel?

We will announce receipt of any protests at the beginning of the sale. We will also announce a decision to either withdraw the parcel or proceed with offering it at the sale.

If I am the high bidder at the sale for a protested parcel, when will BLM issue my lease?

We will make every effort to decide the protest within 60 days after the sale. We will issue no lease for a protested parcel until the State Director makes a decision on the protest. If the State Director denies the protest, we will issue your lease concurrently with that decision.

If I am the successful bidder of a protested parcel, may I withdraw my bid and receive a refund of my first year's rental and bonus bid?

No. In accordance with Federal regulations (43 CFR 3120.5-3) you may not withdraw your bid.

If BLM upholds the protest, how does that affect my competitive bid?

If we uphold a protest and withdraw the parcel from leasing, we will refund your first year's rental, bonus bid and administrative fee. If the decision upholding the protest results in additional stipulations, we will offer you an opportunity to accept or reject the lease with the additional stipulations prior to lease issuance. If you do not accept the additional stipulations, we will reject your bid and we will refund your first year's rental, bonus bid and administrative fee.

If BLM's decision to uphold the protest results in additional stipulations, may I appeal that decision?

Yes. An appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

Can I appeal BLM's decision to deny my protest?

Yes. An appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

Can I withdraw my bid if the protestor files an appeal?

No. If the protestor appeals our decision to deny the protest, you may not withdraw your bid. We will issue your lease concurrently with the decision to deny the protest. If resolution of the appeal results in lease cancellation, we will authorize refunds of the bonus bid, rental and administrative fee, if—

- There is no evidence that the lessee(s) derived any benefit from possession of the lease during the time they held it, and;
- There is no indication of bad faith or other reasons not to refund the rental, bonus bid and administrative fee.

Where can I get copies of the BLM forms mentioned in the Notice?

Form 3100-11 (October 2008), Offer to Lease and Lease for Oil and Gas, and Form 3000-2 (August 2007), Competitive Oil and Gas or Geothermal Resources Lease Bid may be downloaded from the following Forms Central web address: <http://www.blm.gov/blmforms/>.

When is BLM-ES' next competitive sale date?

The next sale is tentatively scheduled for March 15, 2012. We will notify the public in advance should this date change.

Who should I contact if I have questions regarding this lease sale?

For more information, please contact LaVonna Smith, Land Law Examiner on (703) 440-1532 or the Information Access Center on (703) 440-1600.

/s/ Kemba K. Anderson-Artis

Kemba Anderson-Artis
Supervisory Land Law Examiner
Division of Natural Resources

Enhanced Bidder Registration Form
Bidder Registration Form
Competitive Oil and Gas Lease Sale

By completing this form, I certify that the undersigned, or the principal party whom the undersigned is acting on behalf of, is in compliance with the applicable regulations and leasing authorities governing a bid and subsequent lease. I certify that any bid submitted by the undersigned or on behalf of the principal party is a good faith statement of intention by the undersigned or the principal party to acquire an oil and gas lease on the offered lands. Further, I acknowledge that if a bid is declared the high bid, it will constitute a legally binding commitment to execute the Bureau of Land Management's Form 3000-2, Competitive Oil and Gas or Geothermal Resources Lease Bid, and to accept the lease.

In addition, if a bid is declared the high bid, the undersigned or the principal party will pay to the Bureau of Land Management (BLM) by the close of official business hours on the day of the auction, or such other time as may be specified by the authorized officer, an amount at least equal to the minimum monies owed the day of sale for that bid, as set out in applicable regulations. The undersigned and the principal party acknowledge that these monies are due to the Bureau of Land Management as a result of winning the auction. Further, the undersigned and the principal party understand that if payment is not received by the due date, the BLM will issue a bill for monies owed, and if payment is not received, the United States will pursue collection by all appropriate methods, and as appropriate, will assess late fees, civil penalties, interest, administrative charges, and penalties on past due amounts (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; 31 CFR part 285).

I certify that neither I nor the principal party whom I represent owes the United States any monies that were due the day of sale from any oil and gas lease auction conducted by any Bureau of Land Management office.

It is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 for any person to knowingly and willfully make any false, fictitious, or fraudulent statements or representations as to any matter within the jurisdiction of the government. Any such offense may result in a fine or imprisonment for not more than 5 years, or both.

It is a crime under 30 U.S.C. 195 (a) and (b) to organize or participate in any scheme to defeat provisions of the mineral leasing regulations or for any person to obtain money or property by means of false statements regarding a person's ability to obtain a lease. Any person who knowingly violates this provision shall be punished by a fine of not more than \$500,000, imprisonment for not more than 5 years, or both.

A separate registration is required for each company or individual you are representing.

Please fill in the company/individual name and address as it would appear on any issued lease. We will send a copy of the lease and billing notices to the name and address as shown below. (NOTE: Please use the same lessee name and address information on BLM Form 3000-2.)

Bidder Number (leave blank)

Lessee Name: _____

Mailing Address: _____

City: _____

State: _____ Zip Code: _____

Bidder Name: _____ Phone number: _____
(including area code)

Relationship to lessee: _____
(Self, Agent, Attorney-in-fact, President, etc.)

Signature

Date

For BLM Use Only: Type of identification: _____

HOTEL INFORMATION

Holiday Inn
6401 Brandon Avenue
Springfield, Virginia
(703) 644-5555

Comfort Inn
6560 Loisdale Court
Springfield, Virginia
(703) 942-0140

Hampton Inn
6550 Loisdale Court
Springfield, Virginia
(703) 922-9000

Ramada Plaza Hotel
4641 Kenmore Avenue
Alexandria, Virginia
(703) 922-9000
Hotel shuttle to National Airport and Metro Subway

Directions to Bureau of Land Management – Eastern States:

From Washington, DC: take I-395 South through the Springfield Interchange to where I-395 becomes I-95. Continue on I-95 to Backlick/Fullerton Road Exit 167. At the light turn right onto Fullerton Road. At the SECOND Stoplight, turn left onto Boston Boulevard (COSTCO to the left). Eastern States is approximately 0.3 miles on the right. Public parking is behind the building.

From Maryland: Take I-95/I-495, Capital Beltway's Inner Loop, across the Wilson Bridge to Alexandria, VA. Continue on I-95/I-495 to the I-395 Interchange; FOLLOW I-95, SOUTH, towards Richmond, VA. Take Exit 167, Backlick Road/Fullerton Road - the second exit south of the Beltway. At the FIRST Stoplight, Turn RIGHT onto Fullerton Road. At the SECOND Stoplight, Turn LEFT onto Boston Boulevard. Eastern States office (7450 Boston Boulevard) is about 0.3 miles on your right. Public parking is behind the building.

Traveling North I-95 in Virginia: Take I-95 NORTH, to Exit 166-B, Backlick Road/Fullerton Road, just past the fuel tank farm. Continue on the exit ramp toward Backlick Road. At the FIRST Stoplight, Turn LEFT onto Fullerton Road. At the SECOND Stoplight, Turn LEFT onto Boston Boulevard. Eastern States office (7450 Boston Boulevard) is about 0.3 miles on your right. Public parking is behind the building.

KISATCHIE NATIONAL FOREST, LOUISIANA

ES-001-12/11 LAES 57204 ACQ

Louisiana, Rapides Parish, Kisatchie National Forest

T2N, R1W, Louisiana Meridian

Sec. 6, Part of tract E-1 lying west of Hwy 165 in the E2 and the SENW containing 247.72 acres SW;
SWNW.

444.99 Acres

\$667.50 Rental

Subject to F.S. Controlled Surface Use Stipulation #1

Subject to F.S. Controlled Surface Use Stipulation #2

Subject to F.S. Lease Notice No. 3.

(EOI# 1157)

ES-002-12/11 LAES 57205 ACQ

Louisiana, Rapides Parish, Kisatchie National Forest

T2N, R1W, Louisiana Meridian

Sec. 7, NWNE; S2NE; NW; N2S2.

432.14 Acres

\$649.50 Rental

Subject to F.S. Controlled Surface Use Stipulation #1

Subject to F.S. Lease Notice No. 3.

(EOI # 1157)

ES-003-12/11 LAES 57206 ACQ

Louisiana, Rapides Parish, Kisatchie National Forest

T2N, R1W, Louisiana Meridian

Sec. 8, Part of Tract E-2 in SWNW lying west of Hwy. 165 containing 8.87 acres.

8.87 Acres

\$13.50 Rental

Subject to F.S. Lease Notice No. 3.

(EOI # 1157)

HOMOCHITTO NATIONAL FOREST, MISSISSIPPI

ES-004-12/11 MSES 57207 PD

Mississippi, Wilkinson County, Homochitto National Forest

T4N, R1W, Washington Meridian

Sec. 34, NWNE.

43.15 Acres

\$66.00 Rental

Subject to F.S. Lease Notice No. 3.

Subject to F.S. Lease Notice No. 4.

Subject to F.S. Notice to Lessee No. 5.

Subject to F.S. Timing Limitation Stipulation No. 1.

ES-005-12/11 MSES 57208 ACQ

Mississippi, Wilkinson County, Homochitto National Forest

T4N, R1W, Washington Meridian

Sec. 4, Lots 2 & 4.

274.40 Acres

\$412.50 Rental

Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.
(EOI #606)

ES-006-12/11 MSES 57209 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 14, E2; N2NW; SW less 12.09 acres on N side.
621.54 Acres
\$933.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-007-12/11 MSES 57210 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 15, SW.
163.40 Acres
\$246.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-008-12/11 MSES 57211 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 17, part SESW; SWSW less 2 acres for Perrytown Church.
78.00 Acres
\$117.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-009-12/11 MSES 57212 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 18, SWNWNE; NWSWNE; S2SENE; S2NENW; N2SWNW; SWSWNW; SWNW; E2NESW;
SESW; SE; South part of SWSW described as: Beginning at SW corner of Sec. 18, thence S 89
degree 20' E 21.38 chains, thence N 1 degree 30' E 11.50 chains, N 89 degree 20' W 21.88
chains to the Section line, thence S 1 degree 30' W 11.50 chains to the beginning containing
25.16 acres.
419.72 Acres
\$630.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.

Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-010-12/11 MSES 57213 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 19, SW; NESE less that part lying W of public road in NW corner; NWSE lying S of old woods
road; SWSE.
475.60 Acres
\$714.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-011-12/11 MSES 57214 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 20, All.
668.61 Acres
\$1003.50 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-012-12/11 MSES 57215 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 21, All less 25.07 acre exception in S2NW.
678.43 Acres
\$1018.50 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-013-12/11 MSES 57216 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 22, That part of Tract H-1083 lying in lots 3 & 6.
Area in Lot 6 is a 60 acre parcel being a uniform strip across the South side of Lot #6.

Area in Lot #3 is described as: Beginning at the SW corner of Sec. 22; Thence N 17.65 chains; Thence South 89°30'E 7.32 chains to the W Boundary of Sec. 43; thence along section line S 7°25'W 6.04 chains to the SW corner of Sec. 43; Thence S 82°E 16.29 chains; thence South 9.53 chains To the south boundary of Sec. 22; thence N 89°30W 22.67 chains to the POB, containing 28.87 acres, more or less.

88.87 Acres
\$133.50 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.

Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-014-12/11 MSES 57217 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 23, W2NE; SENE; NW; S2.
637.54 Acres
\$957.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-015-12/11 MSES 57218 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 24, All that part of Tracts H-1083, H-334a, and H-1093 lying in Sec. 24.
505.59 Acres
\$759.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-016-12/11 MSES 57219 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 25, N2NENE; W2NW; That part of Tract H-1093 lying in the SWSW containing 23.45 acres.
303.62 Acres
\$456.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-017-12/11 MSES 57220 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 28, N2, W2SW, SE4.
589.40 Acres
\$885.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-018-12/11 MSES 57221 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian

Sec. 29, All.
720.66 Acres
\$1081.50 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-019-12/11 MSES 57222 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 33, W2NW.
84.96 Acres
\$127.50 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-020-12/11 MSES 57223 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 34, E2NE; SWNE; W2; SE.
647.31 Acres
\$972.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-021-12/11 MSES 57224 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 35, E2NENE; W2SW.
103.54 Acres
\$156.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-022-12/11 MSES 57225 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 36, NENE; S2NE; NWNW less 2 acres in SE corner; SWNW.
209.04 Acres
\$315.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-023-12/11 MSES 57226 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 37, S2NENE; NWNE; SENE; N2NW; SWNW.
242.63 Acres
\$364.50 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-024-12/11 MSES 57227 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 38, NENE, NW.
213.67 Acres
\$321.00 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

ES-025-12/11 MSES 57228 ACQ

Mississippi, Wilkinson County, Homochitto National Forest
T4N, R1W, Washington Meridian
Sec. 41, NESW.
44.21 Acres
\$67.50 Rental
Subject to F.S. Lease Notice No. 3.
Subject to F.S. Lease Notice No. 4.
Subject to F.S. Notice to Lessee No. 5.
Subject to F.S. Timing Limitation Stipulation No. 1.

PRIVATE SURFACE, FEDERAL MINERALS, MISSISSIPPI

ES-026-12/11 MSES 57229 ACQ

Mississippi, Smith County, BLM
T4N, R8E, Choctaw Meridian
Sec. 8, SWSE.
40.05 Acres
\$61.00 Rental
Subject to:
BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant
Species, and Freshwater Aquatic Habitat
BLM Lease Notices
(EOI #1166)

ES-027-12/11 MSES 57230 ACQ

Mississippi, Covington County, BLM
T6N, R14W, St. Stephens Meridian

Sec. 21, S2NE, NENE, all that part of E2NWNE north of public road, all that part of SENW of Highway 49.

168.50 Acres

\$253.50 Rental

Subject to:

BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat

BLM Lease Notices

EOI # 905

ES-028-12/11 MSES 57231 ACQ

Mississippi, Franklin County, BLM

T7N, R4E, St. Stephens Meridian

Sec. 12: NWNW, S2NW, S2 less all that part Lying South & East of the centerline of County Road 109, consisting of Tracts: H-40a, b, c, d and Part of H-40 in Sec. 12, totaling 272.58 acres.

Sec. 13: All that part of NW lying North & West of the centerline of County Road 109, and being a part of Tract H-40, consisting of 36.69 acres.

309.27 Acres

\$465.00 Rental

Subject to:

BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat

BLM Lease Notices

(EOI #990)

ES-029-12/11 MSES 57232 ACQ

Mississippi, Covington County, BLM

T8N, R17W, St. Stephens Meridian

Sec 5, NWNE less that part described as beginning at the northwest corner and running south 220 yards, thence east 70 yards, thence north 220 yards, thence west 70 yards to the point of beginning.

36.80 Acres

\$55.50 Rental

Subject to:

BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat

BLM Lease Notices

(EOI #1249)

ES-030-12/11 MSES 57233 ACQ

Mississippi, Covington County, BLM/FFMC

T9N, R16W, St. Stephens Meridian

Sec. 1, SENW, NESW, E2NWSW.

100.00 Acres

\$150.00 Rental

50% U.S. Mineral Interest

Subject to:

BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat

BLM Lease Notices

(EOI #1243)

ES-031-12/11 MSES 57234 ACQ

Mississippi, Covington County, BLM

T9N, R16W, St. Stephens Meridian

Sec. 14, SWNW;

Sec. 15, SENE and beginning at southwest corner of NENE running north 220 yards, thence east 154 yards, thence south 220 yards, thence west 154 yards.

87.00 Acres

\$130.50 Rental

BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat

BLM Lease Notices

(EOI #1243)

ES-032-12/11 MSES 57235 ACQ

Mississippi, Covington County, BLM/FFMC

T9N, R17W, St. Stephens Meridian

Sec. 29, 10 acres described as that part of the NESW lying north of public road

Sec. 32, tract beginning at a point 220 yards west of the southeast corner of the SWSE, thence 220 yards north, thence west 70 yards, thence south 220 yards, thence east 70 yards to the point of the beginning.

13.20 Acres

\$21.00 Rental

50% Mineral Interest

Subject to:

BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat

BLM Lease Notices

(EOI #1246)

BIENVILLE NATIONAL FOREST, MISSISSIPPI

ES-033-12/11 MSES 57236 ACQ

Mississippi, Smith County, Bienville NF

T3N, R7E, Choctaw Meridian

Sec. 20, S2NE, S2SW.

160.00 Acres

\$240.00 Rental

Subject to F.S. Lease Notice No. 3.

Subject to F.S. Lease Notice No. 4.

Subject to F.S. Notice to Lessee No. 5.

Subject to F.S. Notice to Lessee No. 6.

Subject to F.S. Timing Limitation Stipulation No.1.

(EOI #1144)

MISSISSIPPI – CORPS OF ENGINEERS

ES-034-12/11 MSES 57237 ACQ

Mississippi, Grenada County, Corps of Engineers

T22N, R7E, Choctaw Meridian

Sec. 12, Part of Tract D-365 lying in the NWNE less and except 4 ac in SE pt, S2NE, NENW,

N2N2SE, N2SE.
246.00 Acres
\$369.00 Rental
Subject to:
COE Provisions to be Incorporated in Oil and Gas Leases
BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat
BLM Lease Notices
(EOI # 878)

ES-035-12/11 MSES 57238 ACQ
Mississippi, Grenada County, Corps of Engineers
T23N, R6E, Choctaw Meridian
Sec. 17, N2, SW;
Sec. 18, NE, NW, SE;
Sec. 20, All;
Sec. 29, NE, E2NW, Part of Tract B-155 lying in the NWNW containing 31.4 acres, NESW, NWSE.
1,940.00 Acres
\$2,910.00 Rental
Subject to:
COE Provisions to be Incorporated in Oil and Gas Leases
BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat
BLM Lease Notices
(EOI # 878)

ES-036-12/11 MSES 57239 ACQ
Mississippi, Grenada County, Corps of Engineers
T23N, R6E, Choctaw Meridian
Sec. 19, All;
Sec. 29, Tract B-163 lying in W2W2 containing 137.50 acres, SESW;
Sec. 30, All.
1,419.30 Acres
\$2,130.00 Rental
Subject to:
COE Provisions to be Incorporated in Oil and Gas Leases
BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat
BLM Lease Notices
(EOI # 878)

ES-037-12/11 MSES 57240 ACQ
Mississippi, Grenada County, Corps of Engineers
T23N, R6E, Choctaw Meridian
Sec. 21, S2SW, SE;
Sec. 22, W2NE, NW, SW, W2SE, Part of Tract C-200 lying in NESE;
Sec. 27, N2NW;
Sec. 28, NE, NW, SW, W2SE;
Sec. 29, E2NESE, SESE.
1,422.80 Acres
\$2,134.50 Rental

Subject to:

COE Provisions to be Incorporated in Oil and Gas Leases

BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat

BLM Lease Notices

(EOI # 878)

ES-038-12/11 MSES 57241 ACQ

Mississippi, Grenada County, Corps of Engineers

T23N, R6E, Choctaw Meridian

Sec. 24, S2N2SWSW, S2SWSW;

Sec. 25, NENW, SWNW, NWSW, S2SW;

Sec. 26, NWNE, N2SWNE, SENE, NENW, S2NW, Tract C-203 (lying in S2SWNE, W2NESE, Pt. NWSE and Pt. NESW), E2E2SE.

568.30 Acres

\$853.50 Rental

Subject to:

COE Provisions to be Incorporated in Oil and Gas Leases

BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat

BLM Lease Notices

(EOI # 878)

ES-039-12/11 MSES 57242 ACQ

Mississippi, Grenada County, Corps of Engineers

T23N, R6E, Choctaw Meridian

Sec. 25, NWNW;

Sec. 26, NENE.

79.00 Acres

\$118.50 Rental

50% Mineral Interest

Subject to:

COE Provisions to be Incorporated in Oil and Gas Leases

BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat

BLM Lease Notices

(EOI # 878)

ES-040-12/11 MSES 57243 ACQ

Mississippi, Grenada County, Corps of Engineers

T23N, R7E, Choctaw Meridian

Sec. 19, Tract C-210 (lying in Pt. SENE and Pt. SWSENE), E2SW, SE;

Sec. 20, Tract C-214 (lying in Pt. W2NW), Part of Tract C-213 (lying in W2SW containing 47.00 acres), Part of Tract D-300 (lying in Pt. NESE containing 10.30 acres);

Sec. 21, Part of Tract D-300 (lying in Pt. W2NWSW and SWSW containing 58.10 acres), SESE;

Sec. 22, Tract D-310 (lying in Pt. E2W2 and W2E2 containing 194.20 acres), SWSW, NESE, S2SE;

Sec. 23, W2SW, Part of Tract D-348 (lying in Pt. NESW containing 7.80 acres);

Sec. 24, Tract D-377 (lying in Pt. E2SE containing 42.60 acres);

Sec. 26, W2NW, Part of Tract D-348 (lying in E2NW), 1 acre in the SW corner of the SENW, E2SW;

Sec. 27, N2, SW;

Sec. 28, NE, E2NW, Part of Tract D-314 (lying in W2NW containing 27.10 acres), NWSW, N2SE, SESE;

Sec. 29, SENE;

Sec. 30, NE, E2NW.

2,353.90 Acres

\$3,531.00 Rental

Subject to:

COE Provisions to be Incorporated in Oil and Gas Leases

BLM Stipulations for Cultural Resources and Tribal Consultation, Endangered Species, Sensitive Plant Species, and Freshwater Aquatic Habitat

BLM Lease Notices

(EOI # 878)

WAYNE NATIONAL FOREST, OHIO

ES-041-12/11 OHES 57244 ACQ

Ohio, Perry County, Wayne National Forest

T4N, R12W, Monroe Twp., Ohio River Survey

Section 29, S2SW, and the part of the SWSE described as follows: Beginning at the northwest corner of said SWSE marked by the intersection of fences; thence south 4 degrees 00' west, 17.58 chains; thence north 30 degrees 00' east, 2.62 chains; thence north 8 degrees 30' east, 3.20 chains; thence north 35 degrees 00' east, 14.04 chains; thence north 86 degrees 00' west, 8.63 chains to the point of beginning, containing 86 acres, more or less. *(See comment below).

Section 32, SWNE, E2NW, N2SW, SESW, and; The E2NE except a 33.6 acre parcel described as follows: Beginning at the northeast corner of said Section 32; thence south 4 degrees 00' west, 27.72 chains; thence north 36 degrees 00' west, 16.29 chains; thence north 51 degrees 00' west, 11.29 chains; thence north 4 degrees east, 8.77 chains; thence south 86 degrees 00' east, 19.72 chains to the point of beginning, and the N2SE, excepting therefrom a 5.0 acre parcel of land described as follows: From the southeast corner of the NWSE, bear north 12 degrees 30' east, 2.29 chains; thence north 26 degrees 00' east, 2.44 chains to the point of beginning; thence north 51 degrees 30' east, 6.84 chains; thence north 21 degrees 00' west, 2.05 chains; thence north 80 degrees 30' west, 10.52 chains; thence south 8 degrees 30' west, 4.45 chains; thence south 82 degrees 30' east, 6.06 chains; thence south 8 degrees 30' east, 2.745 chains to the point of beginning. Also excepting those lands offered for oil and gas leasing by the Bureau of Land Management on December 9, 2010 as part of parcel ES-033-12/10 (OHES 056560) described as "Ervin Well #3 Section 32, being pt. NW SE, containing 346.40* acres more or less.

Section 33, NWSW, and; The SESW, excepting those lands offered for oil and gas leasing by the Bureau of Land Management on December 9, 2010 as part of parcel ES-033-12/10 (OHES 056560) described as "Nezom" Well #2 Section 33, being pt. N 510ft of the N2SESW, and the SWNW, excepting a strip 1 ½ rods wide off the north end. Also excepting those lands offered for oil and gas leasing by the Bureau of Land Management on December 9, 2010 as part of parcel ES-033-12/10 (OHES 056560) described as "Triple B" Well -Section 33, being the E 610ft of the E2 SWNW, 95.25* acres, more or less.

The lands in Sections 29, 32 and 33 which are described above contain an aggregate of 528.15 acres, more or less.*

528.15 *Acres

\$792.00 Rental

Subject to:

Forest Service Standard Lease Stipulations

Lease Special Notification: #1 (Applies to all lands in the Parcel)

Lease Notification: #1, #2, #3, #4, #5 (Applies to all lands in the Parcel)

Lease Stipulations: #15 Riparian Areas

(EOI #1198)

ES-042-12/11 OHES 57245 ACQ

Ohio, Gallia County, Wayne National Forest

T4N, R15W, Harrison Twp., Ohio River Survey

Section 18, Pt. N2.

150.65 Acres

\$226.50 Rental

Subject to:

Forest Service Standard Lease Stipulations

Lease Special Notification: #1 (Applies to all lands in the parcel)

Lease Notification: #1, #2, #3, #4, #5 (Applies to all lands in the Parcel)

Lease Stipulations: #17 Controlled Surface Use – Slopes between 35 and 55 percent

Note: There is no legal access to this parcel. The adjoining landowner to the north has cooperated with the USA in the past to provide limited access, but has not granted permanent easements or rights of ways.

ES-043-12/11 OHES 57246 ACQ

Ohio, Athens County, Wayne National Forest

T12N, R15W, York Twp., Ohio River Survey

*Sec. 30, Pt. NW, Pt. W2;

Sec. 35, Pt. E2.

264.93 Acres

\$397.50 Rental

Subject to:

Forest Service Standard Lease Stipulations

Lease Special Notification: #1 (Applies to all lands in the parcel)

Lease Notification: #1, #2, #3, #4, #5 (Applies to all lands in the Parcel)

Lease Stipulations: NSO #8, NSO #15 (Section 30) See Map

*Comment: HV-1138B is encumbered by 33 – By Pass – See Map (Sec. 30)

(EOI 935)

ES-044-12/11 OHES 57247 ACQ

Ohio, Athens County, Wayne National Forest

T12N, R15W, York Twp., Ohio River Survey

Sec. 16, Pt. W2W2;

*Sec. 18, Pt. NE, Pt. W2;

Sec. 21, Pt. N2N2;

Sec. 22, Pt. N2, E2, Pt. S2S2;

Sec. 23, Pt. SW, Pt. W2;

Sec. 29, Pt. E2SE.

1,238.06 Acres

\$1,858.50 Rental

Subject to:

Forest Service Standard Lease Stipulations

Lease Special Notification: #1 (Applies to all lands in the parcel)

Lease Notification: #1, #2, #3, #4, #5 (Applies to all lands in the Parcel)
Lease Stipulations: NSO #8, NSO #15 (Section 30) See Map
*Comment: HV-115a is encumbered by 33- By Pass – See Map (Sec. 18)
(EOI 935)

ES-045-12/11 OHES 57248 ACQ

Ohio, Athens County, Wayne National Forest
T12N, R15W, York Twp., Ohio River Survey
Sec. 2, Pt. W2, PtW2E2.
Sec 3, Pt. N2N2.
Sec. 4, Pt. S2.
Sec. 7, Pt. NWNW
Sec. 8, All Pt. of section (Tract A-8103)
Sec. 13, NENE.
Acres 1,120.58
\$1681.50 Rental

Subject to:

Forest Service Standard Lease Stipulations

Lease Special Notification: #1 (Applies to all lands in the parcel)

Lease Notification: #1, #2, #3, #4, #5 (Applies to all lands in the parcel)

Lease Stipulations: NSO #8, (Sections 3 and 4). NSO #15 (Sections 3 and 4) See Map.

(EOI 935)

Stipulations

KISATCHIE NATIONAL FOREST

CONTROLLED SURFACE USE STIPULATION #1

Surface occupancy or use is subject to the following operating constraints.

Placement of mineral extraction equipment, buildings, roads, ponds, and wellpads and the clearing of pipeline right-of-way vegetation are prohibited.

T2N, R1W, Louisiana Meridian

Section	Approximate Legal Description	Estimated Acres
6	E2 east of Hwy. 165; S2NW; SW	72.9
7	S2NE; NWNE; NW; N2S2	59.5

For the purpose of:

Protection of Streamside Zones, Pearlshell Mussel

Any changes to this stipulation will be made in accordance with the land use plan and/or regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

KISATCHIE NATIONAL FOREST

CONTROLLED SURFACE USE STIPULATION #2

Surface occupancy or use is subject to the following operating constraints.

Roads and clearing of right-of-way vegetation may occur if a site-specific environmental analysis determines that the mitigated environment effects would not be significant.

T2N, R1W, Louisiana Meridian

Section	Approximate Legal Description	Estimated Acres
6	NWNE	3.5

For the purpose of:

Protection of Riparian Zones

Any changes to this stipulation will be made in accordance with the land use plan and/or regulatory provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820).

KISATCHIE NATIONAL FOREST

LEASE NOTICE #3

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the current Regional Forester's list of sensitive plant and animal species. Further information concerning the classification of these species may be obtained from the authorized Forest officer.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

All available land in T2N, R1W, Louisiana Meridian

KISATCHIE NATIONAL FOREST

LEASE NOTICE #4

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management". Additional management requirements for the protection of riparian areas are contained in 36 CFR 219.27(e) and the National Forest Management of 1976.

All activities within these areas may require special measures to mitigate adverse impacts to the resource values. They must comply with the above reference executive orders, regulations, laws and be in accordance with the Forest Land and Resource Management Plan guidelines.

Further information concerning the classification and management of these lands may be obtained from the authorized Forest officer.

Lands in T2N, R1W, Louisiana Meridian
Sections 6, 7

NATIONAL FORESTS IN MISSISSIPPI

LEASE NOTICE 03

All or part of the leased lands may contain animal or plant species classified under the Endangered Species Act of 1973, as amended. Other species may have been identified as sensitive in accordance with Forest Service Manual 2670 and be listed on the current Regional Forester's List of Sensitive Plant and Animal Species. Further information concerning the classification of these species may be obtained from the authorized Forest Officer.

Exploration and development proposals may be limited or modifications required if activity is planned within the boundaries of a threatened, endangered or sensitive plant or animal species location as it then exists. All activities within these areas must be conducted in accordance with existing laws, regulations and the Forest Land and Resource Management Plan guidelines.

NATIONAL FORESTS IN MISSISSIPPI

LEASE NOTICE 04

All or part of the leased lands may be classified as wetlands in accordance with Executive Order 11990, "Protection of Wetlands" or a floodplain in accordance with Executive Order No. 11988, "Floodplain Management." Further information concerning the classification of these lands may be obtained from the authorized Forest office.

All activities within these areas must be conducted in a manner to minimize adverse impacts to the resource values and in accordance with the Forest Land and Resource Management Plan guidelines.

NATIONAL FORESTS IN MISSISSIPPI

LEASE NOTICE 05

The proposed land to be leased has areas, less than a 40-acre legal subdivision, with slopes greater than 15% in which ground disturbing activities (such as roads and well pads) will not be authorized. Further information concerning the classification of these lands may be obtained from the authorized Forest office.

All activities within these areas must be conducted in a manner to minimize adverse impacts to the resource values and in accordance with the Forest Land and Resource Management Plan guidelines.

NATIONAL FORESTS IN MISSISSIPPI

TIMING LIMITATION STIPULATION 01

No surface use is allowed during the following time period(s). This stipulation does not apply to operation and maintenance of production facilities.

Ground disturbing activities, including road, pipeline, and well pad construction, may be restricted during the wet season from 11/30 thru 3/31 depending on site specific conditions at the time the Application for Permit to Drill is filed, unless the Operator can furnish construction measures to mitigate damages to surface resources.

On the lands described below:

Entire lease

For the purpose of (reasons):

Prevent excessive soil erosion and rutting resulting from construction activities during the wet season. Land and Resource Management Plan, National Forests in Mississippi, as amended, 9/85.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory

Provisions for such changes. (For guidance on the use of this stipulation, see BLM Manual 1624 and 3101 or FS Manual 1950 and 2820.)

STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license/prospecting permit/lease. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by Secretary of the Interior, (2) uses of all existing improvements, such as Forest development roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor, NFs in Mississippi
100 W. Capitol Street, Suite 1141
Jackson, MS 39269
Telephone No.: 601-965-1600

who is the authorized representative of the Secretary of Agriculture.

BLM District Office
Bureau of Land Management
Jackson District Office
411 Briarwood Drive, Suite 404
Jackson, Mississippi 39206

Management Agency
USDA Forest Service –Region 8
Room 792 South, Lands & Minerals
1720 Peachtree Road, N.W.
Atlanta, Georgia 30367

BLM Stipulations

The proposed lease is offered for competitive sale with stipulations generated through the National Environmental Policy Act and other consultations. Once awarded, the successful bidder is required to submit an Application for Permit to Drill (APD) to the BLM before any ground disturbance is authorized. In the APD, the company identifies a proposed drill site and provides the BLM with specific details on how and when they propose to drill a well within the constraints of the lease document. Upon receipt of an APD, BLM conducts an onsite inspection with the company, and when possible the private land owner or surface managing agency. An environmental assessment is prepared on the APD and in those cases where there is the potential to affect critical resources. The lessee is required, as per lease stipulation, to comply with the recommendations of these consultations. The following lease stipulations will be applied to the lease in conformance with the Mississippi Record of Decision and Approved Resource Management Plan, January 2009.

Best Management Practices

BMPs are mitigation measures applied on a site-specific basis to reduce, prevent, or avoid adverse impacts. They may be incorporated as design features when actions are proposed or may be attached as conditions of approval for BLM-permitted Applications for Permit to Drill (APD) for oil and gas.

The BMPs described below will be considered mandatory and will be applied to oil and gas operations on new and existing leases. Note that the objective of each BMP is to reduce adverse impacts to specific resources, and that there is some flexibility in implementation. The degree of flexibility will vary. Application of BMPs when there is potential to affect Federally listed, proposed, or candidate species or designated critical habitat will typically require coordination and possibly formal consultation with USFWS. Examples of national environmental BMPs are listed below; other BMPs that could be applied during site-specific evaluation can be found in the *Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development, Gold Book* (BLM 2006) and at <http://www.blm.gov/bmp>.

- Interim reclamation of the well and access road
- Painting of all facilities to blend into the background
- Design and construct all new roads to a safe and appropriate standard, “no higher than necessary” to accommodate intended vehicular use
- Final reclamation of all disturbed areas, including access roads, to the original or similar contour
- Raptor perch-avoidance devices on powerlines
- Burial of powerlines and flow lines in or immediately adjacent to access roads
- Centralized production facilities
- The use of submersible pumps where feasible
- Below-ground wellheads where feasible
- Multiple wells from a single well pad where feasible

- Noise-reduction techniques to reduce noise from compressors or other motorized equipment
- Seasonal restrictions on public vehicular access where there are wildlife-conflict or road damage/maintenance issues
- Avoidance of production facilities on hilltops and ridgelines

Cultural Resources and Tribal Consultation

Stipulation: This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. *These obligations may include a requirement that you provide a cultural resources survey conducted by a professional archaeologist.* The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

BLM Lease Notices

Disposal of Produced Water

Objective: To protect aquatic habitats for and to avoid potential impacts to special status fish, mussels, turtles, snails, plants, and migratory birds.

The preferred method for disposal of produced water will be through reinjection to a permeable formation with total dissolved solids (TDS) content higher than 10,000 milligrams per liter (mg/L) where the aquifer is not hydrologically connected to caves, wetlands, or surface water. In Alabama, the injection of produced water is regulated by the Alabama State Oil and Gas Board. In Mississippi, the injection of produced water is regulated by the Mississippi Department of Environmental Quality (MDEQ) and the Mississippi Oil and Gas Board.

If reinjection is not practicable, closed-containment treatment systems should be used to contain and treat produced water for those contaminants and sediments exceeding State standards or EPA criteria. Salt content of any surface ponds for produced water, pigging pits, or other fluids must be less than 7,500 microsiemens per centimeter ($\mu\text{S}/\text{cm}$). If surface pond salt content is greater than 7,500 $\mu\text{S}/\text{cm}$, if other bird toxicity is present, or if the surface exhibits sheen, then the ponds must be netted or covered with floating balls, or other methods must be used to exclude migratory birds.

Produced waters may be released into an impounded reservoir if there is documentation that the discharge site and affected waters do not support special status species, are not designated critical habitat, and State and Federal water quality standards/criteria are met.

Produced waters may be released into a stream/river if the discharge site and affected waters have been recently surveyed and lack special status species, or if the applicant conducts approved surveys documenting the absence of special status species, State and Federal water

quality standards/criteria are met, and a National Pollution Discharge Elimination System (NPDES) permit is obtained. The applicant should be aware that some species can be surveyed only during certain times of the year.

Produced waters may be released into a stream/river if the applicant can document that the produced waters would not adversely affect special status species. Water quality tests would be conducted on stream segment(s) or other locations proposed as discharge points, volumes to be released, and any settling ponds or other treatments proposed to improve wastewater quality. The water quality test data, any monitoring proposed, and other available information about general coal bed methane effluent characteristics (from published or unpublished literature) shall be reviewed by USFWS. Information about timing of the releases in relation to low water and other planned BMPs would also be required. Testing would include analysis of the discharge site and affected waters for chemical oxygen demand (COD), conductivity, total suspended solids (TSS), As, Hg, Se, and polycyclic aromatic hydrocarbons (PAH). Dissolved oxygen and ammonia standards/criteria must be met in bottom waters if they support listed benthic or epibenthic species. If a special status species has been documented to be more sensitive than State/Federal standards/criteria, site-specific standards for that species may be imposed. Calculations would be based on State standards (or Federal CCC criteria for protection of freshwater aquatic life when the State has not determined a standard for these parameters).

Endangered Species

Stipulation: The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. ' 1531 et seq., including completion of any required procedure for conference or consultation.

Exception: None

Modification: None

Waiver: None

Invasive and Non-Native Species

Objective: To discourage the spread of invasive, non-native plants.

Use of native or non-invasive cover plants in seeding mixtures will be encouraged to stabilize disturbed areas and during restoration activities. In the case of split-estate land, final seed mixtures will be formulated in consultation with the private landowner

Migratory Birds and Federally Listed Wildlife

Objective: To protect perch and roosting sites and terrestrial habitats for and to avoid potential impacts to migratory birds and federally listed wildlife.

Any reserve pit that is not closed within 10 days after a well is completed and that contains water must be netted or covered with floating balls, or another method must be used to exclude migratory birds.

Maximum design speed on all operator-constructed and maintained (non-public) roads shall not exceed 25 miles per hour to minimize the chance of a collision with migratory birds or other listed wildlife species.

All power lines must be built to protect raptors and other migratory birds, including bald eagles, from accidental electrocution, using methods detailed by the Avian Power Line Interaction Committee (APLIC 2006)

Perching and Nesting Birds and Bats

Objective: To prevent birds and bats from entering or nesting in or on open vent stack equipment.

Open vent stack equipment, such as heater-treaters, separators, and dehydrator units, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units and, to the extent practical, to discourage birds from perching on the stacks. Installing cone-shaped mesh covers on all open vents is one suggested method. Flat mesh covers are not expected to discourage perching and will not be acceptable.

Pesticide Application

Objective: To protect the water quality of watersheds and natural stream substrate and morphology supporting special status species and their host species.

Any ground application of herbicides or other pesticides, sterilants, or adjuvants within 150 feet of listed species or habitat will require site-specific control measures developed in coordination or formal consultation with USFWS. No aerial application of herbicides or pesticides will be permitted.

Sensitive Plant Species

Stipulation (CSU): All suitable special status plant species habitat will be identified during environmental review of any proposed surface use activity. If field examination indicates that habitat of one or more of these species is present, BLM will require a survey by a qualified botanist for special status plants during time periods appropriate to each species. Operations will not be allowed in areas where sensitive plants would be affected.

Objective: To protect threatened, endangered, candidate, proposed, and BLM Sensitive Plant Species.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with USFWS and coordination with state agencies.

Modification: The stipulation may be modified if it is determined that a portion of the lease area does not support sensitive plant species.

Waiver: The stipulation may be waived if it is determined that the lease area does not support sensitive plant species.

BLM Special Stipulations

Aquatic Environments

Stipulation (NSO): No surface occupancy or disturbance, including discharges, are permitted within 250 feet of a river, stream, wetland spring, headwaters, wet meadows, wet pine savannas, pond, tributary, lake, coastal slough, sand bars, vernal pools on granite outcrops, calcareous seepage marshes, brackish marshes, saltmarsh or small, marshy calcareous streams.

Objective: To protect water quality of watersheds and natural stream substrate and morphology and to avoid potential impacts to federal and state-listed aquatic species.

Exception: An exception may be granted if the operator agrees to 1) span creeks and floodplains by attaching pipelines to bridges or 2) directionally drill under creeks, rivers, and other waters supporting listed species, 3) implement other measures developed in consultation with USFWS and coordination with state agencies.

Modification: The buffer may be reduced if the adjacent waterway has been surveyed for 100 yards upstream and 300 yards downstream of the site, and results document the lack of suitable/occupied habitat for special status species within the mixing zone downstream of the project, as determined by BLM and USFWS.

Waiver: The stipulation may be waived if it is determined that the lease area has no hydrological connection to habitat of sensitive aquatic species.

Gopher Tortoise and Other Commensal Species

Stipulation (CSU): BLM-approved surveys will be required in all suitable gopher tortoise habitat where the tortoise is listed, including: Choctaw, Washington, Sumter, and Mobile counties in Alabama; and Clarke, Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jones, Jasper, Jefferson Davis, Lamar, Marion, Pearl River, Perry, Smith, Stone, Walthall, and Wayne Counties in Mississippi. No surface disturbance or activity is permitted within 600 feet of a gopher tortoise burrow.

Suitable habitat includes areas with deep, well-drained and excessively well-drained sandy soils, especially the following USDA–NRCS soil series and with an open understory with grass and forb groundcover open areas. Suitable soils include Alaga, Bigbee, Eustis, Lakeland, Waldley or Troup, McLaurin, Benndale, Heidel, Bama, Smithdale, Ruston, Lucedale, Lucy, Shuguta, Baxterville, Malbis, Poarch, Saucier, Susquehanna, Boswell, Lorman, Freestone, Freest, Prentis, Savannah, Basin, and Petal.

Objective: To protect habitat for gopher tortoise and other commensal species, including eastern indigo snake and gopher frog.

Exception: Exceptions may be granted if the proponent agrees to implement measures developed in consultation with USFWS and coordination with state agencies.

Modification: This stipulation may be modified if suitable gopher tortoise habitat does not exist on the stipulated area and that area does not provide forage habitat for adjacent tortoise populations. Survey requirements may be modified if current tortoise surveys of the tract are approved by BLM and USFWS.

Waiver: This stipulation may be waived if suitable gopher tortoise habitat does not exist on the tract and the tract does not provide forage habitat for gopher tortoises in adjacent areas.

Red-Cockaded Woodpecker

Lease Notice - Prior to activity in suitable red-cockaded woodpecker foraging habitat (cover at least 50% pine trees over 10 inches in diameter and at least 30 years old) or nesting habitat (pines at least 60 years old and 10 inches in diameter), the applicant will conduct a survey of suitable habitat within ½ mile of the project according to protocols described in the updated Red-cockaded Woodpecker Recovery Plan, *Second Revision* completed by U.S. Fish and Wildlife Service in 2003. If red-cockaded woodpeckers are found a biological assessment will be completed and the project modified as needed to ensure that there is “no adverse affect” with concurrence from the Lafayette Ecological Services Office of the U.S. Fish and Wildlife Service.

Stipulation (NOS): No surface occupancy or disturbance within 0.5 mile of a red-cockaded woodpecker cluster, defined as the area containing all active and inactive cavity trees, plus a 200-foot buffer zone surrounding that area. Vehicle use is prohibited within a cluster except for through-travel on existing, maintained, paved roads.

Objective: To protect red-cockaded woodpecker nest sites from disturbance and habitat degradation.

Exception: An exception may be granted to allow surface occupancy within one-half mile of a cluster if the operator agrees to measures developed in consultation with USFWS and in coordination with state agencies.

Modification: This stipulation may be modified if a portion of the stipulated area no longer within the one-half mile buffer zone.

Waiver: This stipulation may be waived if no cluster can be identified within one-half mile of the leased tract.

BLM Oil and Gas Leasing
Surface Use Stipulations

(1). Cultural Resources and Tribal Consultation

Stipulation: This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. These obligations may include a requirement that you provide a cultural resources survey conducted by a professional archaeologist approved by the State Historic Preservation Office (SHPO). If currently unknown burial sites are discovered during development activities associated with this lease, these activities must cease immediately, applicable law on unknown burials will be followed and, if necessary, consultation with the appropriate tribe/group of federally recognized Native Americans will take place. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

Exception: None

Modification: None

Waiver: None

(2). Endangered Species

Stipulation: The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. ' 1531 et seq., including completion of any required procedure for conference or consultation.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with USDA Forest Service, USFWS, and coordination with state agencies.

Modification: The stipulation may be modified if it is determined that a portion of the lease area does not support threatened, endangered, or other special status species. Since the surface is

under the management and jurisdiction of the USDA Forest Service, any modifications must meet USDA Forest Service policies/regulations and be approved by the USDA Forest Service.

Waiver: The stipulation may be waived if it is determined that the lease area does not support threatened, endangered, or other special status species. Since the surface is under the management and jurisdiction of the USDA Forest Service, any waivers must meet USDA Forest Service policies/regulations and be approved by the USDA Forest Service.

(3). Sensitive Plant Species

Stipulation: To protect threatened, endangered, candidate, proposed, and BLM Sensitive Plant Species. All suitable special status plant species habitat will be identified during environmental review of any proposed surface use activity. If field examination indicates that habitat of one or more of these species is present, BLM will require a survey by a qualified botanist for special status plants during time periods appropriate to each species. Operations will not be allowed in areas where sensitive plants would be affected.

Exception: An exception may be granted if the operator agrees to implement measures developed in consultation with USDA Forest Service, USFWS, and coordination with state agencies.

Modification: The stipulation may be modified if it is determined that a portion of the lease area does not support sensitive plant species upon the approval of the USDA Forest Service. The USDA Forest Service must approve any modifications before they can be entertained by BLM for review.

Waiver: The stipulation may be waived if it is determined that the lease area does not support sensitive plant species upon the approval of the USDA Forest Service. The USDA Forest Service must approve any waivers before they can be entertained by BLM for review.

(4). Invasive and Non-Native Species

Stipulation: Use of native or non-invasive plants in seeding mixtures under the direction/supervision of the USDA Forest Service will be encouraged to stabilize disturbed areas and during restoration activities. Construction sites will be surveyed for invasive species prior to ground disturbance. If invasive species are found, the proper control measures will be used to either eradicate the species from the area or minimize its spread to other areas under the direction of USDA Forest Service and BLM. If an invasive species is found on site after construction has begun, equipment will be washed before exiting the site to prevent the spread of this highly invasive species to other locations. Pre-construction monitoring for invasive plant species should be conducted to ensure early detection control.

Exception: None

Modification: None

Waiver: None

Corps of Engineers (COE) Provisions for all parcels located in Grenada County, Mississippi: (Parcel Nos. MSES 057237-MSES 57243).

PROVISIONS TO BE INCORPORATED
IN OIL AND GAS LEASES – GRENADA LAKE, MS

- a. That the lands included in this lease are reserved by the Department of Army for flood control, water supply, recreation, fish and wildlife, and related purposes in connection with the operation and maintenance of Grenada Lake and all operations hereunder shall be subject to the general supervision of the District Commander, U. S. Army engineer District, Vicksburg, Corps of Engineers, Vicksburg, Mississippi, and to such rules and regulations as may be prescribed by him from time to time. The plans and location for all structures, appurtenances thereto, geophysical explorations, excavations, drilling activities and other work on said lands, including access thereto, shall be submitted to the said District Commander for approval in advance of commencement of any work on said lands. The District Commander shall have the right to enter on the premises at any time to inspect both the installation and operational activities of the lessee.
- b. That all rights under this lease are subordinate to the rights of his United States to flood and submerge the lands, permanently or intermittently, in connection with the operation and maintenance of Grenada Lake.
- c. That the lessee in the conduct of his operations hereunder shall not interfere with the full and free use by the public of the water areas of the reservoir.
- d. That there shall be no unreasonable interference with navigation by the exercise of the privileges hereby granted and any structure within the water area of the reservoir shall extend above the maximum flood control pool elevation. If display of lights and signals on any work hereby authorized is not otherwise provided by law, such lights and signals as may be prescribed by the Coast Guard and/or by the said District Commander shall be installed and maintained by and at the expense of the lessee.
- e. That the United States reserves the right to use the land jointly with the lessee in connection with the construction, operation and maintenance of the Government project; to place improvements thereon, and to remove materials there from, including sand, gravel, and other construction materials, as may be necessary in connection with such work, and the lessee shall not interfere in any manner with such work or do any act which may increase the cost of performing such work. If the cost of the work performed by the Government at and in connection with the project, including work performed on lands outside the property included in the lease, is made more expensive by reason of improvements constructed on the leased property by the lessee, the lessee shall pay to the United States money in an amount, as estimated by the Chief of engineers, sufficient to compensate for the additional expense involved.
- f. That no structure or appurtenance thereto shall be of a material or construction determined to create floatable debris.
- g. That the construction and operation of said structures and appurtenances thereto shall be of such nature as not to cause pollution of the soils and the waters of the project, or reduce the aesthetic value in any manner.

- h. That the right is hereby reserved to the United States to administer, in accordance with the terms thereof, existing leases, licenses, permits, easements, etc., of the surface rights (land and water) and to continue to grant such rights for agricultural, commercial, or private recreational purposes, the management of fish and wildlife resources, and the construction and maintenance of communication, electric distribution or transmission lines, water supply, sewage disposal, roads and similar facilities on the leased premises, and the lessee hereunder shall have no claim for compensation or damages of any nature on account thereof.
- i. That the rights and privileges conveyed hereunder are subordinate to such surface leases, licensee, permits, easements; etc., as have been or may hereafter be conveyed by the Secretary of Army for utilization of reservoir land and water areas, and no operations will be conducted hereunder until prior written consents of surface lessees, licensees, permittees, easement holders, etc., have been obtained. .
- j. The United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the exercise of the privileges herein granted, or for damages to the property of the lessee, or for damages to the property or injuries to the person of the lessee's officers, agents, servants, or employees or others who may be on the premises at their invitation or the invitation of anyone of them, arising from or incident to the flooding of the premises by the Government or flooding from any other cause, or arising from or incident to any Governmental activities, and the lessee shall hold the United States harmless from any and all such claims.
- k. Geophysical explorations, excavations, or drilling activities will not be permitted within 2,000 linear feet of the main dams, appurtenant structures, existing recreation area, or operation and maintenance facility including roads.
- l. Prior to the issuance of any license, the lessee should furnish a U. S. Environmental Protection Agency approved Spill Prevention, Containment, and Control Plan for the facility contemplated. A copy of this plan should be furnished to the U. S. Army Engineer District, Vicksburg. ATTN: CEMVK-RE-SM, 4155 East Clay Street, Vicksburg, Mississippi 39183-3435. Also, a hazardous materials management plan shall be furnished USACE, Vicksburg District, ATTN: CEMVK-RE-SM. USACE will be informed immediately of any spills or other environmental hazards which may occur.
- m. Prior to the issuance of any lease, the lessee should furnish a copy of all applicable State approvals including that issued by the Oil and Gas Board in the state wherein the activity is to occur.
- n. If oil and gas activity results in the deposition of fill material, i.e., levees, berms, or drilling mud, in a wetland, then a 404 Permit must be obtained by the lessee prior to beginning work.
- o. No exploration shall be allowed that would adversely impact on the integrity of the dam, its foundation, or its related structures as determined on an individual basis by the Engineering Division of the Corps of Engineers.
- p. No exploration shall be allowed in or near public use areas or facilities which would adversely impact on the current recreational opportunities as determined on an individual basis by the Operations Division of the Corps of Engineers.

- q. Any exploration below the surcharge pool level must have adequate protection against the effects of high water as determined on an individual basis by the Operations Division of the Corps of Engineers. No fill material will be placed below the surcharge pool at Grenada Lake (elev. 247.5). Also no well head will be allowed below this elevation.
- r. In making a request for an exploratory lease, the lessee shall be required to furnish a conceptual plan of the installation and land requirements that would follow if the well, or wells, were put into production.
- s. All Federal, State, or local laws, statutes, and regulations pertaining to the drilling and recovery of oil and gas and the protection of property shall be complied with, including noninterference with navigation and nonpollution of lands and waters.
- t. The lessee, in the conduct of his operations, shall be responsible for and promptly maintain or repair any damage to Government property including roads, buildings, bridges, public use areas, etc. Upon expiration of any lease or abandonment of the site, the lessee must be required to restore the area to its condition before the work began. In the conduct of operations, all Corps safety guidelines and requirements shall be followed and there shall be no roads blocked or interference with road traffic.
- u. Exploration of oil and gas by the seismic involving drilling and detonation of charges will not be allowed within 2,000 feet of the dam embankment or structures at the lakes.
- v. The lessee shall have a cultural resource survey conducted on lands before exploration and the results coordinated with the District Commander and the State Historic Preservation Officer.
- w. Prior to any surface occupation, a USACE license must be applied for and proper Regulatory clearances obtained before issuance of a license instrument from Real Estate Division. A performance bond shall be posted for drilling before issuance of any license for drilling purposes.
- x. Drilling operations must be closed loop drilling. All drilling operations and any changes in operations shall be coordinated with the Grenada Lake Field Office and the Field Office shall be informed of the sites and/or tracts that will be used in drilling activities.

USDA – FOREST SERVICE
STANDARD STIPULATIONS –LEASE
(FSM 2820)

National Forest: Wayne

The lessee is notified and agrees:

All work and any operations authorized under this lease shall be done according to an approved operating plan on file with the **Forest Supervisor at USDA Forest Service, 13700 US Highway 33, Nelsonville, Ohio 45764**. Plans generally require a minimum of 45 days for Forest Service review. Bureau of Land Management must also review and also approve.

Operating plan will contain information the Forest Officer determines reasonable for assessment of (1) public safety, (2) environmental damage, and (3) protection for surface resources. Content of such plans will vary according to location and type of activity and may contain:

1. Steps taken to provide public safety.
2. Location and extent of areas to be occupied during operations.
3. Operation methods including size and type of equipment.
4. Capacity, character, standards of construction and size of all structures and facilities to be built.
5. Location and size of areas where vegetation will be destroyed or soil lay bare.
6. Steps taken to prevent and control soil erosion.
7. Steps taken to prevent water pollution.
8. Character, amount, and time of use of explosives or fire, including safety precautions during their use.
9. Program proposed for rehabilitation and revegetation of disturbed land.

Copies of all permits obtained from State or Federal agencies pertaining to work might be required.

Archeological studies, if required, will accompany plan.

The Forest Supervisor or his/her designated agent has authority to temporarily suspend or modify operations in whole or in part to emergency forest conditions such as high fire danger or other unsafe situations.

The lessee must keep the **District Ranger** informed about progress of operations to the extent reasonably necessary for assuring public safety. This is especially important with geophysical inventory and testing activities because of their mobile nature. The lessee will alert the **District Ranger** to circumstances which may affect safe and efficient conduct of work activities.

Terms of this lease are considered violated if not done according to these stipulations.

See Special Stipulations & Notifications
OIL AND GAS LEASE STIPULATIONS/NOTIFICATIONS
Wayne National Forest, Ohio

BLM LEASE NOTICE
WAYNE NATIONAL FOREST, OHIO

(This notice is applied to all lease parcels offered on the Wayne National Forest)

1. The lease tract may contain an abandoned oil and gas well(s). Detailed well information and legal ownership of this well(s) either has not been researched or is not known at this time. All past leases associated with this well(s) and the lease tract are believed to have expired. No right, title, or interest in any such well(s) is conferred by the Federal lease. If the Federal lessee wishes to obtain any rights to the well(s) and produce the same under the terms of the Federal lease and Federal oil and gas operating regulations, he/she shall independently take appropriate measures to assure his/her legal interest in the well(s). Any such well(s) reworked and/or placed into production by the Federal lessee shall then be considered by the Bureau of Land Management as being the responsibility of the Federal lessee and subject to the terms of the Federal lease.

Prior to any such well being reworked and/or placed into production, the Federal lessee/operator must submit the appropriate paperwork to the BLM and receive approval prior to commencing any work.

2. The Federal Government does not record Federal leases in the lease records of local counties. Any local recording of Federal leases is the responsibility of the Federal lessee.

APPENDIX G

LEASE-SPECIFIC OIL AND GAS NOTIFICATIONS/STIPULATIONS

The notifications and stipulations that follow implement the Standards and Guidelines of the Wayne National Forest Land and Resource Management Plan, and, where appropriate, are in addition to the standard lease terms for oil and gas leases (BLM Form 3100-11). These notifications and stipulations are necessary to protect specific resource values on the lease area. If found to be in the public interest, they may be made less restrictive, or otherwise modified, when specifically approved in writing by an authorized officer of the Forest Service.

Special Notification #1

Operations under this lease will be consistent with all the standards and guidelines found in the revised Wayne National Forest Land and Resources Management Plan (Forest Plan), and are hereby incorporated into this lease in their entirety. Forest Plan standards and guidelines include restrictions on location, timing and methodology of oil and gas lease operations, and requirements for special surveys that provide for protection of National Forest land and resources. A copy of the Wayne National Forest Land and Resource Management Plan is available for inspection from the following website <http://www.fs.fed.us/r9/wayne/> or by writing to:

Forest Supervisor
Wayne National Forest
13700 US HWY 33
Nelsonville, OH 45764

Notification #1

Cultural Resources

The Forest Service is responsible for assuring that the area to be disturbed is examined for cultural resources prior to allowing any surface disturbing activities on lands covered by this lease. Important cultural resource values may be present on portions of this lease. Surface disturbing activities must avoid these areas unless the authorized officer agrees to the mitigation measures. The lessee/operators may, at their discretion and cost, conduct the examination on the lands to be disturbed. This examination must be done by or under the supervision of a qualified resource specialist approved by the Forest Service. An acceptable report must be provided to the Forest Service identifying the anticipated effects of the proposed action on cultural resource values. If items of substantial archaeological or paleontological value are discovered during operations, or a known deposit of such items is disturbed, the lessee (or operator) will cease work in the area so affected. The lessee (or operator) will then notify the Forest Service and will not resume excavation until the Forest Supervisor gives written approval.

Notification #2

Floodplains

Any activities proposed in, or likely to affect, a floodplain will be subject to:

- Analysis and identification of alternate sites.
- Public notification and comment period.
- Provisions of any other Federal, State or local laws and regulations as required under presidential Executive Order 11988, Protection of Floodplains.

Notification #3

Protection of Federal Endangered & Threatened and Regional Sensitive Species, and Their Habitat.

The Forest Service is responsible for assuring that the area to be disturbed is examined prior to allowing any surface disturbing activities on lands covered by this lease. The examination is to determine effects upon any plant or animal species listed, or proposed for listing, as federal endangered or threatened, regional sensitive, and their habitats. If the findings of this examination determine that the operation(s) may have a detrimental effect on a species covered by the Federal Endangered Species Act as amended, the operator's plans may be denied or restrictions added. The presence of regional sensitive species may also require some restrictions of the operation(s).

The Forest Service has the responsibility to conduct the required examination. In cases where the Forest Service time frames cannot meet the needs of the lessee/operator, the lessee/operator may, at his discretion and cost, conduct the examination on the lands to be disturbed. This examination must be done by or under the supervision of a qualified resource specialist approved by the Forest Service. An acceptable report must be provided to the Forest Service identifying

the anticipated effects of the proposed action on federal endangered or threatened species, regional sensitive species, or their habitats.

Notification #4

Compliance with public laws and federal regulations

Operators are required to comply with all public laws and Federal regulations that apply to National Forest System lands and the Wayne Land and Resource Management Plan.

Notification #5

Steep slopes and/or unstable soils

The area of this lease contains a considerable amount of land with steep slopes and/or unstable soils. Accordingly, the opportunity to locate access roads, drilling sites, pipelines, storage tanks and other improvements may be extremely limited.

Management areas requiring special stipulations

Very Restrictive Stipulations

Stipulation #1

No Surface Occupancy – Future Old Forest

No surface occupancy on the entire lease or on designated areas of the lease (see map) for the protection of Future Old Forest.

On National Forest System lands in Future Old Forest Management Areas, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #2

No Surface Occupancy - Research Natural Areas

No surface occupancy within designated areas of the lease (see map) for the protection of natural processes or research, historical or educational values.

On National Forest System lands in Research Natural Management Areas, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy

Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #3

No Surface Occupancy - Special Interest Areas

No surface occupancy within designated areas of the lease (see map) for the protection of natural processes or research, historical or educational values.

On National Forest System lands in Special Interest Management Areas, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #4

No Surface Occupancy - Candidate Research Natural Areas and Special Interest Areas

No surface occupancy within designated areas of the lease (see map) for the protection of natural processes or research, historical or educational values.

On National Forest System lands in Candidate Research Natural Management Areas, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #5

No Surface Occupancy - Administrative sites, and developed recreation areas, trails and associated trailheads

No surface occupancy within designated areas of the lease (see map) for the protection of special management units such as developed recreation areas, trails and associated trailheads, water supply facilities, administrative site, etc.

On National Forest System lands within administrative sites, developed recreation areas, trails and associated trailheads, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. The NSO designation will include a buffer zone, which will be determined in accordance with the Implementation Guide for Scenery Management. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Stipulation #6

No Surface Occupancy – Timbre Ridge Lake

No surface occupancy within designated areas of the lease (see map) for the protection of the Timbre Ridge Lake Management Area.

On National Forest System lands in the Timbre Ridge Lake Management Area, the USDA Forest Service will only issue Federal oil and gas leases that have a No Surface Occupancy (NSO) stipulation. In the case of Federal leases issued pursuant to the Comprehensive National Energy Policy Act of 1992, the Forest Service will recommend to BLM that operations be allowed to continue provided that all activities comply with Forest guidance. When the existing well (or wells) is depleted, all facilities must be removed and the site rehabilitated to Forest Service standards. No new wells will be allowed, nor will existing wells be allowed to be drilled to deeper formations. The NSO stipulation does not apply to reserved or outstanding mineral rights.

Resources requiring special stipulations

Very Restrictive Stipulations

Stipulation #7

No Surface Occupancy - Cultural resource area of known significance

No Surface occupancy within archaeological or historical sites of known significance (see map). At the time of any new proposed lease developments, the responsible line officer shall determine the need for any setbacks or restrictions for the protection of objects of historic or scientific interest.

Stipulation #8

No Surface Occupancy - Slopes in excess of 55 percent

No surface occupancy on slopes in excess of 55% (see map) to protect soil and water from erosion and mass failure hazards because of steep slopes.

Stipulation #9

No Surface Occupancy – Areas of mass soil instability

No surface occupancy is allowed for the exploration and development of energy minerals on areas with mass soil instability, as defined by the USDA County Soil Surveys (see map).

Stipulation #10

No Surface Occupancy – Hibernacula

No surface occupancy within ¼ mile of all known Indiana bat hibernacula (see map).

Moderately to Very Restrictive Stipulations

Stipulation #11

Controlled Surface Use - Areas of land with a Scenic Integrity Objective of ‘High’ or ‘Moderate’

At the time of any new proposed lease developments, the responsible line officer shall determine the need for any visual quality mitigation. Some examples of mitigation may include special design and reclamation measures, transplanting trees and shrubs, fertilization, mulching, special erosion control structures, irrigation, site recontouring to match the original land contour, low profile equipment and painting to minimize contrast. Surface occupancy may also be limited or denied in sensitive areas, such as unique geologic features and rock formations, visually prominent areas such as designated trails and developed recreation sites.

Stipulation #12

Controlled Surface Use - Known locations of federally listed species.

No cutting of snags (trees with less than 10% live canopy), shagbark or shellbark hickories, or trees that are hollow and/or have major splits or broken tops, except during the bat hibernation season (September 15 to April 15). If such trees are a safety hazard, they may be cut anytime they pose an imminent threat to human safety, but if cut in the nonhibernation season the Forest Service biologist must be notified in advance. This stipulation applies only to trees over six inches in diameter.

Protect all supercanopy trees or other identified congregation roost trees for bald eagles along major river corridors and lakes. Protect known nests and roosts as described in the Bald Eagle Recovery Plan, or as directed by the US Fish and Wildlife Service.

A Forest Service biologist, prior to any surface disturbing activities, will conduct an assessment for potential American burying beetle habitat and occurrence. Occupancy restrictions will be determined at the time of the evaluation.

Stipulation #13

Controlled Surface Use - Areas of known Regional Sensitive Species or uncommon, unique or important habitats.

Controlled surface use may include setbacks or restrictions from portions of the lease to ensure protection of habitat for regional sensitive species. At the time of any new proposed lease developments, the responsible line officer shall determine the need for any setbacks or

restrictions, or the need for timing-related stipulation in accordance with the aquatic and terrestrial wildlife and botanical resources standard and guidelines.

The leaseholder and Forest Service inspector shall work together to identify locations for development and production facilities in order to protect the structural integrity of large old trees found on a portion of the tract.

Stipulation #14

Controlled Surface Use - Managed wildlife openings

At the time of any new proposed lease developments, the responsible line officer shall determine the extent of the surface use restrictions necessary to maintain habitat integrity for plant and animal species dependent on such habitats.

Stipulation #15

Controlled Surface Use – Riparian areas

At the time of any new proposed lease developments, the responsible line officer shall determine the appropriate surface use restrictions necessary to maintain the structural and ecological integrity of riparian areas, and aquatic and riparian-dependent species viability.

Stipulation #16

Controlled Surface Use – Portions of floodplains outside riparian areas.

Oil and gas activities may be allowed within that portion of a floodplain outside riparian areas. Mineral activities will be evaluated on a case-by-case basis, and appropriate mitigation measures will be applied. The leaseholder and Forest Service inspector shall work together to identify locations for roads, pipelines, well pads and production facilities.

Stipulation #17

Controlled Surface Use - Slopes between 35 and 55 percent

Oil and gas activities will be allowed on slopes between 35%-55% on a case-by-case basis, with appropriate mitigation. New road construction and maintenance shall be planned so that the least amount of ground disturbance is involved. The leaseholder and Forest Service inspector shall work together to identify locations for roads, pipelines, well pads and production facilities.

Stipulation #18

Controlled Surface Use – Cemetery

There is a reservation for use of ¼ acre for a cemetery. No surface disturbance on the cemetery.

Maps